Message Text

SECRET

PAGE 01 STATE 177383 ORIGIN EA-06

INFO OCT-01 ISO-00 INR-05 PA-01 /013 R

DRAFTED BY EA/PRCM:STAFF:CED APPROVED BY EA/PRCM:HETTHAYER DESIRED DISTRIBUTION

EA

-----009606 140218Z /70

R 132144Z JUL 78 FM SECSTATE WASHDC TO USLO PEKING AMCONSUL HONG KONG INFO AMEMBASSY TAIPEI AMEMBASSY TOKYO

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LIMDIS

E.O. 11652: GDS

TAGS: TGEN OEXC EAIR CPAS EMIN EPAP OREP APER

SUBJECT: EA/PRCM WEEKLY STATUS REPORT

1. FRANK PRESS DELEGATION -- FOLLOW UP (SECRET/STADIS)

DELEGATION MEMBERS HAVE COMPILED A FOLLOW UP ACTION LIST OF PROPOSALS THAT WERE MADE TO THE CHINESE DURING THE TRIP WHICH NEED A CHINESE RESPONSE. PRESS INTENDS TO CONVEY THE LIST TO THE CHINESE IN ORDER TO LESSEN THE POSSIBILITY THAT ACTIVITY WILL LAG DUE TO POSSIBLE CHINESE MISUNDERSTANDING OF THE PROPOSALS. SCOTT HALLFORD HAS BEEN ASKED BY THE DEPARTMENT OF COMMERCE TO BRIEF SOME OF THEIR PERSONNEL NEXT WEEK ON THE EXPORT CONTROL ASPECTS OF THE VISIT.

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$2. \ \ PERFORMING \ ARTS \ DELEGATION \ (LIMITED \ OFFICIAL \ USE)$

THE CHINESE PERFORMING ARTS TROUPE ARRIVES IN WASHINGTON JULY 16, WILL BE HOSTED AT A PRCLO RECEPTION THAT EVENING, AND OPENS ITS LOCAL PERFORMANCES AT WOLF TRAP JULY 18.

DR. BRZEZINSKI AND JOHN REINHARDT ARE TO ATTEND THE OPENING

PERFORMANCE BUT WE DO NOT YET KNOW IF MR. CHRISTOPHER WILL ATTEND. THE TROUP IS BEING GIVEN A WHITE HOUSE TOUR JULY 20 AND THERE IS A POSSIBILITY THAT THE PRESIDENT MIGHT MEET

INFORMALLY WITH THEM FOR A FEW MINUTES. IN PREPARATION FOR THIS, WE HAVE ASKED GERTRUDE TAI, ONE OF THE CANDIDATES FOR THE CHINESE INTERPRETING POSITION, TO ACCOMPANY THE DELEGATION AND BE PREPARED TO INTERPRET FOR THE PRESIDENT IF NECESSARY.

3. CHINESE SPECIAL FLIGHT (CONFIDENTIAL/STADIS)

DON ANDERSON WILL MEET WITH PANAM'S CHIEF OF PROTOCOL SUNDAY AFTERNOON TO GET HIS VIEWS ON HOW TO BEST HANDLE THE TWO SPECIAL CAAC PLANES THAT WILL LAND IN LOS ANGELES IN EARLY AUGUST TO PICK UP THE PERFORMING ARTS DELEGATION. NEXT WEEK WE HAVE A MEETING SCHEDULED WITH INS, CUSTOMS, ICA, AND THE NATIONAL COMMITTEE IN WHICH WE HOPE TO BE ABLE TO IDENTIFY CLEARLY WHAT THE MINIMUM REQUIREMENTS THAT INS AND CUSTOMS WILL HAVE IN LOS ANGELES. IF NECESSARY, WE WILL THEN DISCUSS THE ISSUE WITH PRCLO IN ORDER TO AVOID THE CONFUSION WHICH OCCURRED WHEN THE PLANES BROUGHT THE TROUPE TO WASHINGTON JUNE 28. WE ALSO TENTATIVELY PLAN TO SEND DON ANDERSON TO LOS ANGELES FOR THE DEPARTURE TO ENSURE THAT ANY PROBLEMS THAT ARISE ARE HANDLED EXPEDITIOUSLY.

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4. LOCKHEED TECHNICAL SEMINARS (CONFIDENTIAL)

LOCKHEED REPRESENTATIVES WERE IN WEDNESDAY AFTERNOON TO REPORT ON LOCKHEED BOARD CHAIRMAN ANDERSON'S RECENT TRIP TO PEKING. AS A FOLLOW-ON, LOCKHEED PROPOSES TO HOLD A SERIES OF SEMINARS IN THE US THIS SEPTEMBER FOR CHINESE AIRCRAFT INDUSTRY OFFICIALS. LOCKHEED HAS ASKED THE DEPARTMENT TO APPROVE THE CONTENT OF THE SEMINARS AND THE OVERALL LOCKHEED PROPOSAL. WE PUT LOCKHEED IN TOUCH WITH THE EXPORT CONTROL PEOPLE AT COMMERCE. LOCKHEED IS INTERESTED IN SELLING THE CHINESE THEIR WIDE-BODIED L-1011 OR A CIVILIAN VERSION OF THEIR C-130 (WHICH IS ON OUR MUNITIONS CONTROL LIST), BUT REMAINS UNEASY OVER THE INTENSE CHINESE INTEREST IN THE P-3C ORIAN, A SOPHISTICATED ASW AIRCRAFT.

5. EXXON BRIEFING (LIMITED OFFICIAL USE)

CARL PATTERSON, PRESIDENT OF ESSO EXPLORATION INCORPORATED, AND FIVE OTHER EXXON OFFICIALS CAME IN FOR BRIEFINGS TUESDAY AFTERNOON IN PREPARATION FOR THEIR TRIP TO CHINA IN EARLY AUGUST. EXXON IS GOING TO CHINA WITH THE EXPECTATION

THAT THE CHINESE WILL OFFER THEM SOME TYPE OF JOINT VENTURE

ARRANGEMENT ON OFF-SHORE OIL EXPLORATION. EXXON FEELS THAT THE CHINESE WILL WANT TO ACQUIRE AS MUCH OIL EXPLORATION AND DRILLING TECHNOLOGY AS POSSIBLE AND IS WARY OF PROVIDING THE CHINESE TECHNOLOGY UNDER THE GUISE OF COMMERCIAL SALES. I TOLD PATTERSON THAT WE THINK THE CHINESE ARE SERIOUS ABOUT JOINT VENTURES AND ENCOURAGED THEM TO KEEP IN CONTACT WITH DEPARTMENT OFFICIALS HERE AND WITH USLO IN PEKING.

6. TIBETAN PROTEST (LIMITED OFFICIAL USE)

WE MET WITH REPRESENTATIVES FROM THE PASSPORT OFFICE THIS SECRET

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WEEK IN AN ATTEMPT TO RESOLVE THE PROBLEMS ARISING FROM LISTING CHINA AS THE PLACE OF BIRTH IN US PASSPORTS FOR PERSONS WHO WERE BORN IN THE TIBETAN REGION. UNFORTUNATELY, WE WERE UNABLE TO COME UP WITH ANY SOLUTION WHICH WOULD SATISFY BOTH THE TIBETANS AND NOT CAUSE MORE SERIOUS PROBLEMS FOR OUR RELATIONS WITH THE PRC. THE TIBETANS ARE PLANNING A WASHINGTON DEMONSTRATION JULY 19. ALTHOUGH THE DEMONSTRATION IS GEARED TO THE LARGER ISSUES OF HUMAN RIGHTS AND INDEPENDENCE FOR TIBETANS, WE ANTICIPATE THAT THE PLACE OF BIRTH ISSUE WILL BE INCLUDED.

7. PRC SEEKS WESTERN HELP IN COAL MINING DEVELOPMENT (CONFIDENTIAL)

IN YET ANOTHER DEPARTURE FROM PAST PRACTICE, CHINA IS APPARENTLY SEEKING OUTSIDE HELP IN THE DEVELOPMENT OF SOME OF ITS COAL AND MINERAL DEPOSITS. USLO HAS REPORTED CHINESE NEGOTIATIONS WITH A WEST GERMAN FIRM FOR THE SUPPLY OF ENGINEERING DESIGN SERVICES AS WELL AS EQUIPMENT FOR ONE OF ITS COAL MINES. A US FIRM, BROWN AND ROOT, HAS RECEIVED A CHINESE LETTER OF INTENT TO PURCHASE ENGINEERING SERVICES FOR CHINESE PHOSPHATE AND PYRITE MINES IN YUNNAN AND KWANGTUNG. TWO OTHER US COMPANIES, ELGIN AND MCNALLY, ALONG WITH A WEST GERMAN COMPANY, ARE ACTIVELY BIDDING ON A DOLS. 15 MILLION CONTRACT TO "OPEN" A MINE. THE COMPANIES HAVE BEEN TOLD BY THE CHINESE THAT IF THEIR PERFORMANCE IS SATISFACTORY, ANOTHER 19 DEPOSITS WILL BE MADE AVAILABLE FOR DEVELOPMENT FOR A TOTAL AMOUNT OF DOLS. 250 MILLION.

8. PRC TEXTILE EXPORTS (UNCLASSIFIED)

STR'S CHIEF TEXTILE NEGOTIATOR MIKE SMITH TOLD A HOUSE SECRET

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WAYS AND MEANS SUBCOMMITTEE ON MONDAY THAT THE ADMINISTRATION IS CONSIDERING "APPROPRIATE" ACTION AGAINST RISING TEXTILE IMPORTS FROM THE PRC, AND THAT THE MATTER IS "ON THE FRONT BURNER" AND "GETTING VERY HIGH-LEVEL ATTENTION." ACCORDING TO PRESS REPORTS, CLINTON MILLS SALES CORPORATION PRESIDENT JAMES RALEIGH HAS URGED TALKS BETWEEN THE US AND PRC TEXTILE INDUSTRIES WHICH ULTIMATELY WOULD LEAD TO GOVERNMENT MEETINGS ON A TEXTILE AGREEMENT. RALEIGH MADE THE PROPOSAL TO PRC TRADE OFFICIALS WHILE IN CHINA WITH A NEW YORK BOARD OF TRADE DELEGATION. RALEIGH SAID THE CHINESE WERE NONCOMMITTAL, BUT HE BELIEVES THAT THEY WILL AGREE TO HIS PROPOSAL.

9. SENATOR BAKER PLANNING PRC VISIT (LIMITED OFFICIAL USE)

SENATOR BAKER, WHO WAS SCHEDULED TO VISIT THE PRC IN 1976 WITH THE CODEL THAT WAS POSTPONED BECAUSE OF THE TANGSHAN EARTHQUAKE, RECEIVED AN OPEN INVITATION FROM HUANG CHEN AND HAN HSU TO VISIT CHINA WHENEVER CONVENIENT. ACCORDING TO THE SENATOR'S STAFF, HE HAS WRITTEN HAN A LETTER SUGGESTING THAT HE WOULD LIKE TO GO DURING THE EASTER RECESS OF 1979.

10. PERSONNEL (UNCLASSIFIED)

TOM BIDDICK, MOST RECENTLY ASSIGNED TO EMBASSY TAIPEI, JOINED EA/PRCM THIS WEEK. DICK HART AND GALEN FOX END THEIR TOURS IN THE OFFICE TOMORROW. LYNN PASCOE IS EXPECTED TO BEGIN WORK MONDAY REPLACING HART. CHRISTOPHER

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Message Attributes

Automatic Decaptioning: Z Capture Date: 01 jan 1994 Channel Indicators: n/a

Current Classification: UNCLASSIFIED Concepts: REPORTS, POLITICAL SUMMARIES

Control Number: n/a Copy: SINGLE Draft Date: 13 jul 1978 Decaption Date: 20 Mar 2014
Decaption Note: 25 YEAR REVIEW Disposition Action: RELEASED Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW

Disposition Date: 20 Mar 2014 Disposition Event:

Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE177383
Document Source: CDR

Document Unique ID: 00 Drafter: STAFF:CED Enclosure: n/a Executive Order: GS

Errors: N/A **Expiration:**

Film Number: D780288-0400

Format: TEL From: STATE

Handling Restrictions:

Image Path:

ISecure: 1

Legacy Key: link1978/newtext/t19780762/aaaacana.tel

Line Count: 205 Litigation Code IDs: Litigation Codes:

Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 383bda75-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EA

Original Classification: SECRET
Original Handling Restrictions: LIMDIS, STADIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a

Page Count: 4
Previous Channel Indicators: n/a Previous Classification: SECRET
Previous Handling Restrictions: LIMDIS, STADIS

Reference: n/a Retention: 0

Review Action: RELEASED, APPROVED Review Content Flags:

Review Date: 31 may 2005 Review Event:

Review Exemptions: n/a **Review Media Identifier:** Review Release Date: n/a Review Release Event: n/a **Review Transfer Date:** Review Withdrawn Fields: n/a

SAS ID: 2015738 Secure: OPEN Status: NATIVE

Subject: EA/PRCM WEEKLY STATUS REPORT
TAGS: TGEN, OEXC, EAIR, CPAS, EMIN, EPAP, OREP, APER
To: PEKING HONG KONG

Type: TE

vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/383bda75-c288-dd11-92da-001cc4696bcc

Review Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014

Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014